

CLAIMS

I/WE CLAIM:

1. A system for merchants to accept authorized checks and receive payment on the same electronically from a third-party service provider where the transaction is verified and may be guaranteed, the image of the check writer's check is captured and stored, a sight draft possibly with the image of the subject check for the subject  
5 payment is created and presented for payment comprising:

a communication device for the merchant to input the information from the check and the subject transaction and transmit statistical information to a service provider;

a database maintained by the service provider programmed to receive  
10 statistical information from the merchant, analyze this statistical information and provide a response to the merchant indicating the probability that the payment will be honored;

a check scanner or other image-transfer device attached to the merchant's communication device to capture the image of the subject check and transmit the  
15 image of the check to data storage;

an image repository for storage of the images of the checks processed through this invention;

an automated system to transmit payment from the service provider on approved transactions to the bank account of the merchant in the amount of the  
20 approved transaction, less the cost of the service and prearranged risk hold backs, delayed posting arrangements or other criteria; and

an automated process wherein if the merchant is a "guarantee" customer of the service provider, the merchant shall be indemnified for any returned checks that are returned unpaid from the check writer's bank account. This guarantee shall be  
25 subject to the terms and conditions of the service provider's contract for the same.

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2. The system of Claim 1 wherein a sight draft payable to either the service provider or the merchant in the amount of the approved transaction is created through a check software and printing program using the statistical information transmitted to the service provider from the merchant. This sight draft may have an image of the subject check printed on it and shall be deposited in the bank account of the service provider and processed through traditional check processing means.

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